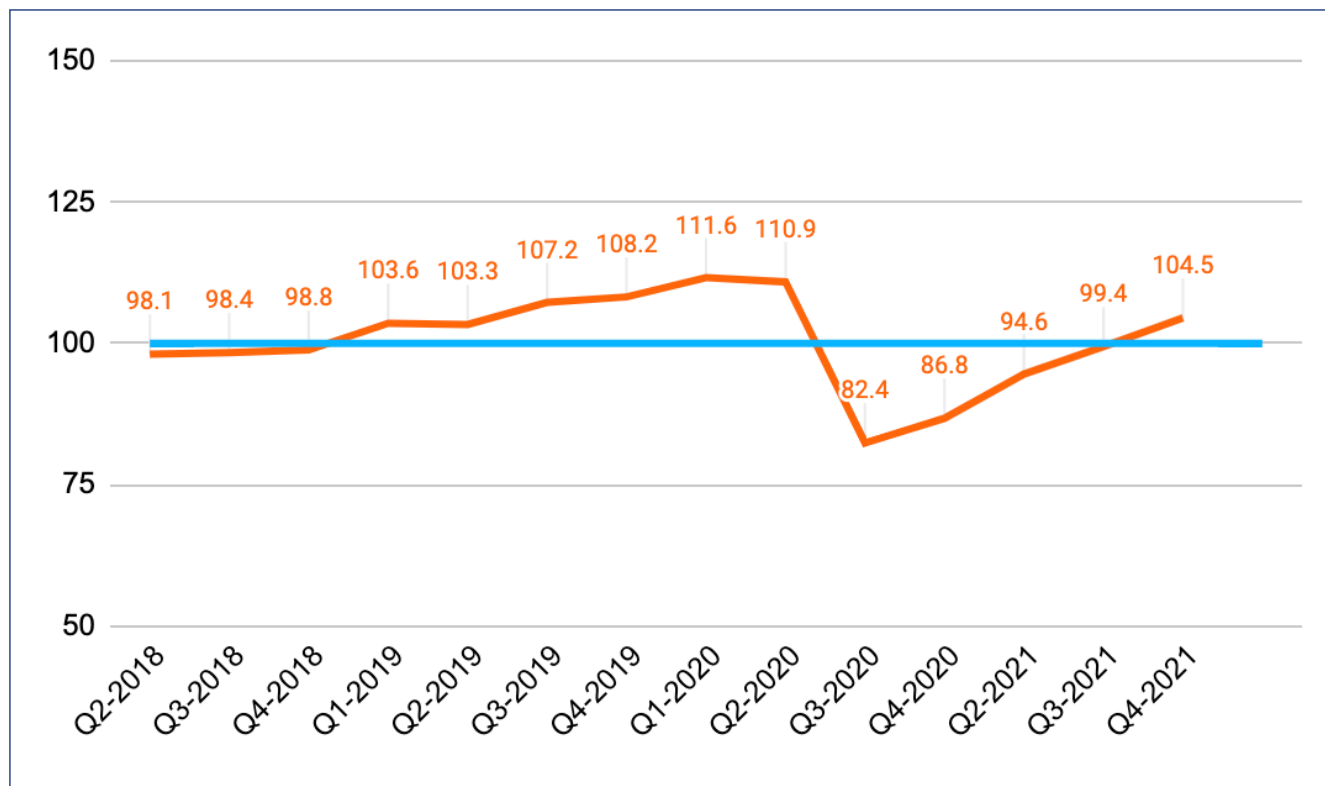


## THE COUPA BUSINESS SPEND INDEX, Q4 2021 REPORT

The Coupa Business Spend Index (BSI) is the leading behavior-based index of business confidence as measured by the aggregated and anonymized global spend transactions made by companies within the Coupa Community. The Q4 BSI improved nearly 5% over the prior quarter, evidencing sustained, continued confidence in the economic outlook over the next 3-6 months.

This quarter, business spend confidence as measured by the BSI increased to 104.5 in Q4 (up from 99.4 in Q3 2021). Driven in part by strong Search and Pay activity, but offset by some weakness in Order activity.

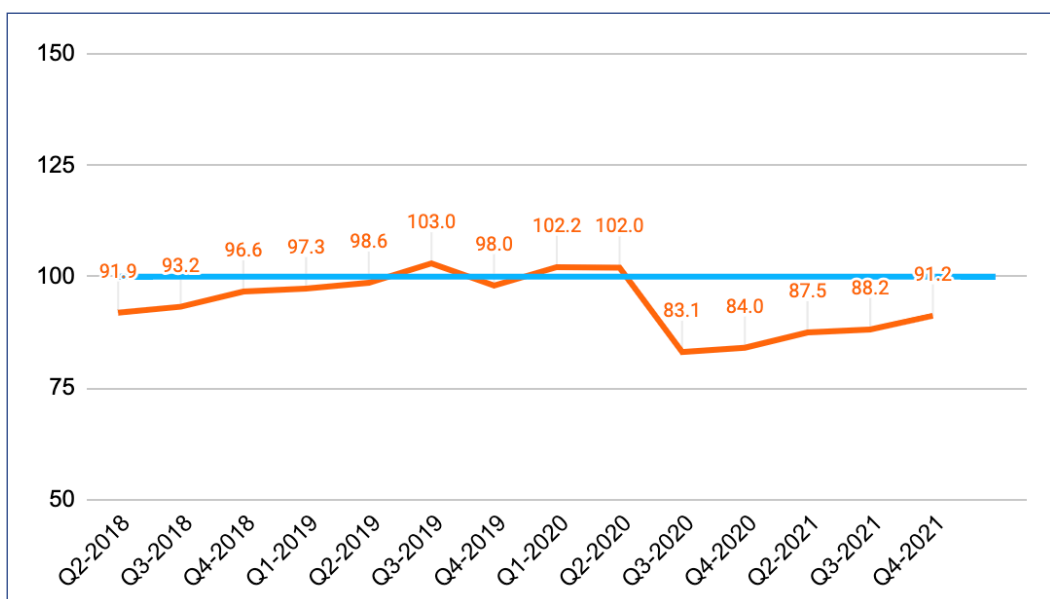
### Business Overall



## Industry-Specific Insights:

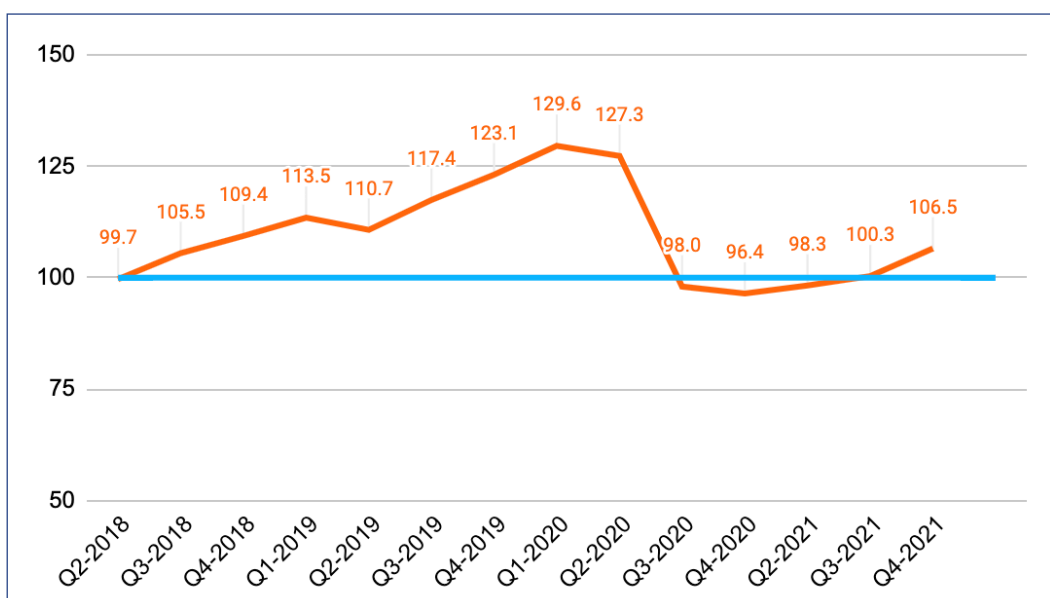
**Business Services:** The BSI for Business Services **increased** this quarter, from 88.2 in Q3 to 91.2 in Q4. The change in Business Services was driven largely by a strong increase in Search activity. Business Services confidence has improved, but growth is expected to remain below trend for next quarter.

### The Coupa BSI - Business Services



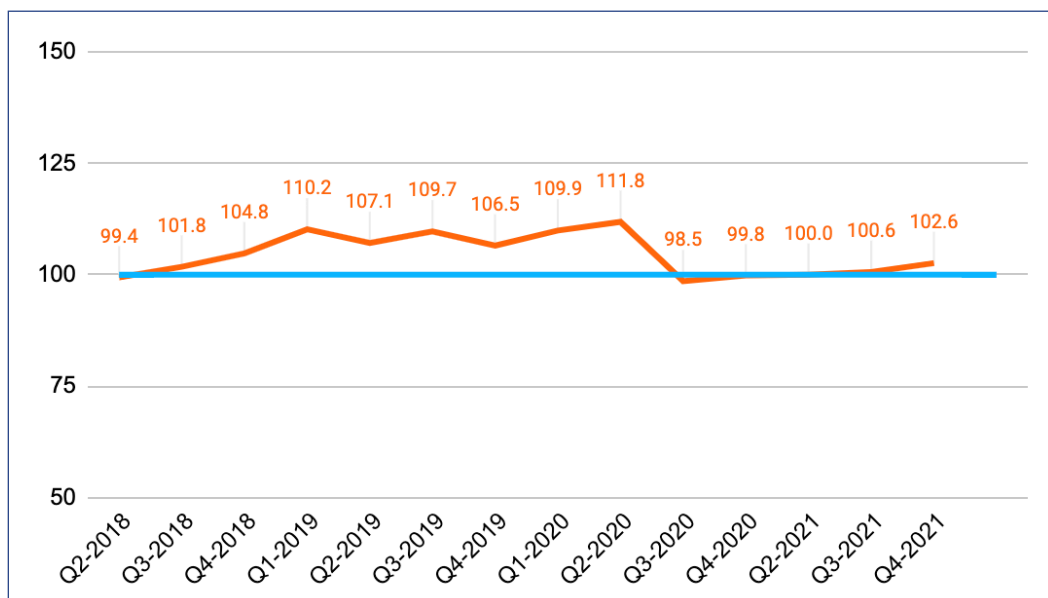
**Financial Services:** The BSI for Financial Services **increased** to 106.5 in Q4 from 100.3 in Q3, an increase of roughly 6% quarter-on-quarter. The stability in this sector is driven by increases in Pay activity, but offset by decreases in Order activity. Financial Services sector confidence rebounded with growth expected above trend for the next quarter.

### The Coupa BSI - Financial Services



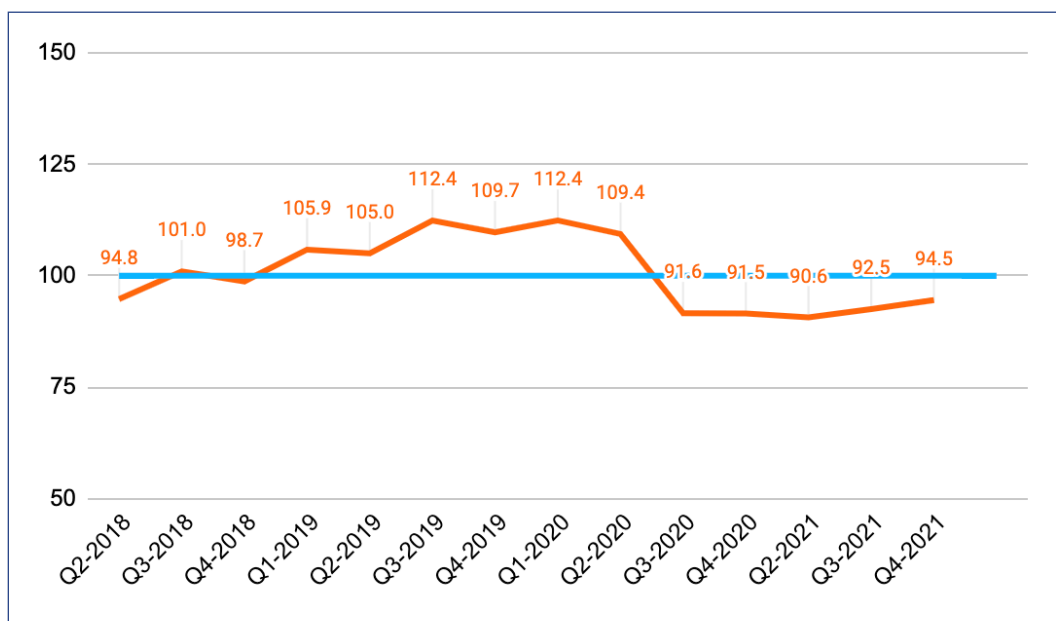
**Health and Life Sciences:** The BSI for Health and Life Sciences **increased** to 102.6 in Q4 2021 from 100.6 in Q3. The moderate increase was driven by strong increases in Pay activity, but softened by Search activity. Health and Life Sciences sector confidence rebounded with growth expected above trend for next quarter.

**The Coupa BSI - Health and Life Sciences**



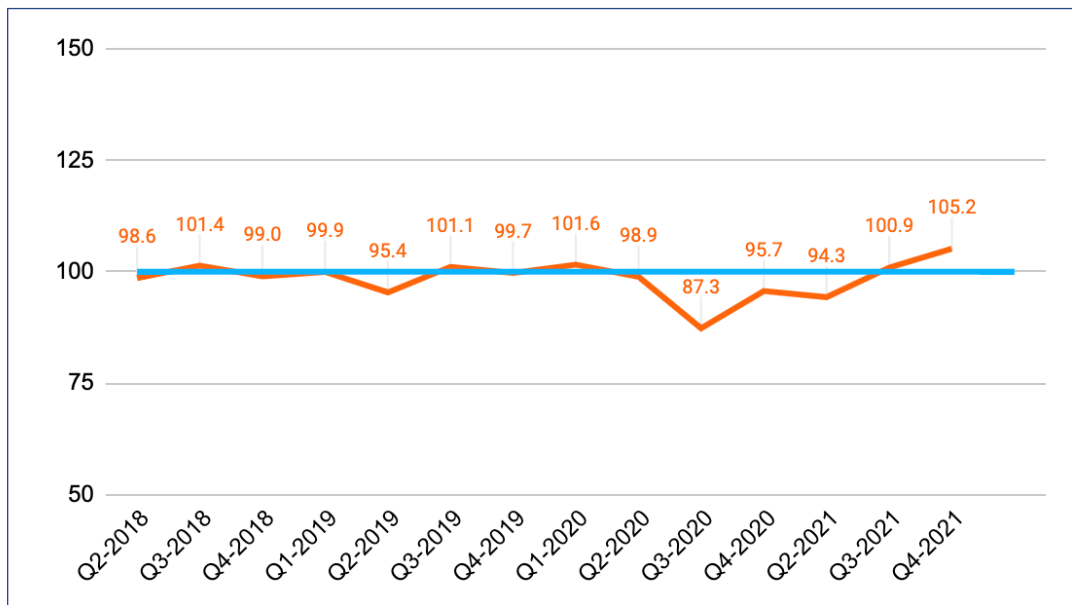
**High Tech:** The BSI for High Tech **increased** this quarter to 94.5 in Q4 2021 from 92.5 last quarter. The increase was driven by strong Pay activity but softened by Order activity. High Tech sector confidence has improved but growth is expected to be below trend for next quarter.

**The Coupa BSI - High Tech**



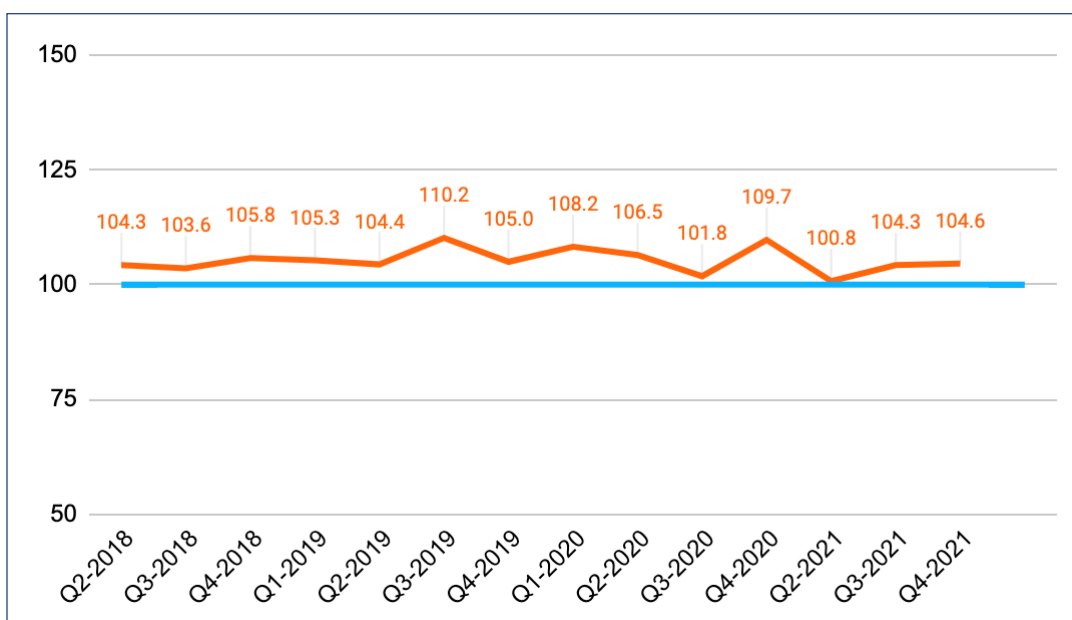
**Manufacturing:** The BSI for Manufacturing **increased** significantly, rising to 105.2 in Q4 2021, up from 100.9 in Q3. The strong increase was driven by increases in Pay activity, but offset by lower overall Order activity. Manufacturing sector confidence significantly improved with growth expected above trend for the next quarter.

### The Coupa BSI - Manufacturing



**Retail:** The Coupa BSI for Retail was relatively **unchanged** this quarter at 104.6 in Q4, from 100.3 in Q3, but down 4.7% year-over-year. The steadiness this quarter is driven by increases in Pay, but offset by softness in Search activity. Retail sector confidence remains strong with growth expected above trend for the next quarter.

### The Coupa BSI - Retail



**Other Services:** The BSI for Other Services **increased** this quarter to 85.9 in Q4, from 77.2 in Q3. The strong increase in Other Services was driven by increased Search activity. Other Services sector confidence has improved, but growth is expected to be below trend for next quarter.

### The Coupa BSI Methodology

The Coupa BSI is a predictive measure of business confidence. We produce the BSI by combining the power of Coupa Community data (billions of dollars anonymized business spending within the Coupa platform) with the intelligence of statistical models.

Through our Community data, we derived factors representative of business spend decisions. To provide clarity and preserve anonymity, we group these factors into three categories – to **Search** for new suppliers, to **Order** and commit to spend, and to **Pay** for goods and services used by the business. Then, we use our proprietary algorithm for variable selection from Coupa's Demand Modeler to choose the right group of variables to best predict economic activity. Using these features, we fit a dynamic factor model based on rich academic literature on economic index creation. By estimating an underlying factor driving the group of variables, we are able to create the Coupa BSI.

The Coupa BSI is normalized to a baseline value of 100, which represents the state of business spend in the baseline reference period (January 2018) computed using the dynamic factor model with the three grouped factors.

### About Coupa Community Intelligence

Coupa Community Intelligence is an AI-powered engine that objectively analyzes transactional spend data flowing through the Coupa BSM Platform and prescribes instant insights that help companies spend smarter, simpler, and safer. Built in the cloud, Coupa uniquely has access to transactional business data, which enables its Community Intelligence engine to leverage the latest in machine learning and AI to provide more accurate benchmarks and high-value insights.

### About Coupa Software

Coupa empowers companies around the world with the visibility and control they need to spend smarter and safer. To learn more about how Coupa can help you spend smarter, visit [Coupa.com](https://Coupa.com). Read more on the [Coupa Blog](#) or follow [@Coupa](#) on Twitter.

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